

Item #6
March 9, 2011
Energy Commission Business Meeting

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Grant Agreement ARV-10-035

for

Ontario 76 CNG Infrastructure Installation

Summary

The South Coast Air Quality Management District (SCAQMD), in partnership with Earth Energy Fuels, Inc. (EEF), will install a CNG fueling station at an existing gas station in Ontario, CA. The CNG station will be installed in an area that will serve several existing CNG fleets. Approximately 2,130 vehicles run on CNG in the Ontario area, and it is anticipated that this number will double within the next two years. Several fleets in the Ontario area have expressed their support of the installation of this station to meet their fueling needs including Yellow Cab Co., Bell Cab, Clean Street and Supershuttle.

The installation of this station will support the increasing demand in an area where fuel demand already exceeds availability.

The project is shovel-ready, with permitting under way. This station will be built so that an additional 10 dispensers can be easily installed in the future to meet increased demand.

The Energy Commission will provide \$300,000 in Alternative and Renewable Fuel and Vehicle Transportation Program funds, and project partners will provide match funding of \$1,447,466.

Benefits

The SCAQMD anticipates that the installation of this station will displace approximately 375,000 gallons of petroleum in the first year alone. Within the next two years, this station can potentially displace 2.1 million gallons of petroleum annually. Additionally, EEF anticipates that this station will have an emission benefit of 84,044 metric tons of GHGs over the life of the project. SCAQMD and EEF anticipate that the station will capture 25 percent of the existing demand in the area within 12 months of the installation of the stations. By the end of the second year, they anticipate that this station will capture 50 percent of the total demand within the area. By 2014, SCAQMD

and EEF anticipate that yearly sales will reach approximately 868,989 gasoline gallon equivalents per year.

The project will generate approximately 24 jobs within the first two years. This project will generate additional jobs in the future for maintenance, repair, fuel handling and safety inspection.

Participants

EEF is an alternative energy, retail fueling company that is working with traditional fuel retailers and non- traditional retail partners to develop a fueling network that satisfies the public demand for cleaner, cheaper, domestic fuels. EEF will take the lead in managing the project through completion.

SCAQMD would retain the role of contract administrator and oversee the project to ensure its successful completion.

Project Milestones

In the first three months of the project, SCAQMD will work with EEF to begin the site design and demolition. The following three months will be devoted to construction. The station will be ready for fueling by Fall 2011.